

## Message Text

CONFIDENTIAL

PAGE 01 LISBON 04844 231730Z  
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-01  
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02  
SS-15 USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00  
XMB-02 OPIC-03 LAB-04 EPG-02 SIL-01 OMB-01 MCT-01  
EURE-00 /100 W

-----061377 231732Z /43

P R 231612Z JUN 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC PRIORITY 1878  
INFO AMEMBASSY BONN  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMCONSUL OPORTO  
AMEMBASSY PARIS  
AMCONSUL PONTA DELGADA  
AMEMBASSY ROME  
USEC BRUSSELS 1548  
USMISSION GENEVA

C O N F I D E N T I A L LISBON 4844

E.O. 11652: GDS  
TAGS: ELAB PINT PO  
SUBJECT: LABOR PROTESTS GOVERNMENT ECONOMIC POLICIES

SUMMARY: RISING WORKER DISCONTENT OVER DECLINING REAL WAGES IS  
EVIDENT FROM LEVEL OF PARTICIPATION IN PEACEFUL CGTP RALLIES  
PROTESTING THE GOVERNMENT'S AUSTERITY PROGRAM. END SUMMARY.

1. IN LARGEST ANTI-GOVERNMENT DEMONSTRATION SINCE ACCESSION OF  
SOCIALIST GOVERNMENT, SUPPORTERS OF THE COMMUNIST-DOMINATED CGTP  
LABOR CONFEDERATION PROTESTED THE GOP'S AUSTERITY MEASURES IN  
MAJOR RALLIES HELD JUNE 22 IN LISBON AND  
OPORTO. ESTIMATED 45,000 WORKERS MARCHED DOWN LISBON'S  
MAIN AVENUE TO THE CENTRAL PLAZA TO HEAR CGTP LEADERS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LISBON 04844 231730Z

DENOUNCE THE GOVERNMENT'S 15 PERCENT LIMITATION ON  
WAGE INCREASES AND PROTEST THE RISING COST OF LIVING.  
OTHER MAJOR THEMES INCLUDED CALLS FOR THE CONTINUATION  
OF AGRARIAN REFORM, DEFENSE OF NATIONAL INDEPENDENCE  
AND THE EXPULSION OF IMPERIALISM, AND THE CONTINUATION  
OF THE WORKER(S) STRUGGLE.

2. NATIONWIDE RESPONSE: AMCONSUL OPORTO REPORTS THE DEMONSTRATION THERE WAS THE LARGEST THIS YEAR. AN ESTIMATED 5,000 HEARD SPEAKERS EMPHASIZE THE SAME THEMES AS IN LISBON. DEMONSTRATIONS HELD IN 35 OTHER LOCALITIES HAD SMALLER TURN-OUTS, E.G. COIMBRA-2,000 BRAGA-1,000. THERE WERE NO SERIOUS INCIDENTS DURING THE DEMONSTRATIONS.

3. GOVERNMENT'S ATTITUDE: DEMONSTRATIONS GIVEN ADDED IMPETUS BY HARDLINE SPEECH BY LABOR MINISTER MALDONADO GONELHA JUNE 21 ANNOUNCING THAT GOVERNMENT WAS BREAKING OFF FURTHER TALKS WITH THE CGTP REGARDING THE GOVERNMENT'S WAGE POLICIES. MINISTER GONELHA STATED THAT THE CGTP HAD BROKEN THE PRECEPTS FOR DIALOGUE BY CALLING FOR STREET DEMONSTRATIONS. PRIME MINISTER SOARES MET WITH CGTP LEADERS MAY 26 FOR THE FIRST OF SEVERAL DISCUSSIONS ON WAGE/PRICE POLICIES.

4. WAGE-PRICE NEGOTIATIONS: PRIME MINISTER'S LABOR ADVISOR MADUREIRA TOLD LABATT ON JUNE 22 THAT DURING THE CGTP'S MEETINGS WITH PRIME MINISTER SOARES THE CGTP NEGOTIATORS HAD OFFERED TO COOL WORKER DISCONTENT AND REDUCE LABOR AGITATION IN RETURN FOR A RELATIVELY FREE HAND TO RESUME A PCP-STYLE LAND REFORM PROGRAM IN THE ALENTEJO. HE CITED THIS AS ANOTHER EXAMPLE OF THE COMMUNISTS' CYNICAL WILLINGNESS TO TRADE OFF THE WORKERS INTERESTS FOR POLITICAL ADVANTAGE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LISBON 04844 231730Z

5. OTHER LABOR PRESSURES ON GOVERNMENT: THE COUNCIL OF MINISTERS AUTHORIZED THE INTERIOR MINISTER ON JUNE 22 TO DECREE "CIVIL MOBILIZATION" OF SANITATION WORKERS TO END A WEEK-LONG STRIKE OF LISBON GARBAGE COLLECTORS. PILES OF REFUSE HAVE ACCUMULATED IN LISBON'S STREETS WHILE THE WORKERS HELD OUT FOR INCREASED WAGES.

6. COMMENT: PARTICIPANTS IN THE DEMONSTRATIONS IN LISBON WERE MARKEDLY MORE MOTIVATED AND VOCIFEROUS THAN DURING THE MAY 1 LABOR DAY PARADE. DEMONSTRATORS APPEARED TO BE A FAIRLY REPRESENTATIVE SECTION OF LABOR FORCE, WITHOUT LARGE GROUPS OF STUDENTS WHO HAD HELPED TO FILL-OUT ESTIMATED CROWD OF 45,000 ATTENDING MAY 1 CELEBRATIONS. EMBASSY BELIEVES INCREASED MILITANCY BY WORKERS REFLECTS GENUINE DISCONTENT OVER DECLINING REAL INCOME IN FACE OF PRICE INCREASES AND WAGE RESTRAINTS.  
CARLUCCI

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR RELATIONS, PUBLIC DEMONSTRATIONS, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 23-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LISBON04844  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770225-0008  
**Format:** TEL  
**From:** LISBON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770624/aaaaavbm.tel  
**Line Count:** 111  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** adf0ce77-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 25-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2051229  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LABOR PROTESTS GOVERNMENT ECONOMIC POLICIES SUMMARY: RISING WORKER DISCONTENT OVER DECLINING REAL WAGES IS EVIDENT FROM LEVEL OF PARTICIPATION IN PEACEFUL CG  
**TAGS:** ELAB, PINT, PO  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/adf0ce77-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009